

February 2001

The Farm Crisis

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Recommended Citation

Bailey, Bridget (2001) "The Farm Crisis," *Ethos*: Vol. 2001 , Article 10.

Available at: <http://lib.dr.iastate.edu/ethos/vol2001/iss3/10>

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FARM CRISIS IN IOWA

The declining ag economy's effect on farm families.

Outside Ames, off Highway 30, past Highway 169 and Highway 71, just before reaching Spencer, the largest city in Clay County, is a little town called Everly. A white sign, chipped from aging, greets visitors to the "Home of the Cattlefeeders" and boasts of the 1968 State Champion girls basketball team. Everly has only about 700 people.

It's a town occupied by green, red, and orange tractors that pull grain wagons through the dust-covered, cracking streets to the newly built Farmers Co-op Elevator, located at the north edge of town. Farmers flock in and out of that office, some with smiles, some without, but all wearing the requisite blue jeans, a T-shirt, and a brimmed cap promoting their brand of seed corn. Each drives a

pick-up truck covered in bean and corn dust from harvest season. The Co-op is the glue holding the farming community together.

My town probably reminds some students of their own small farming community. My town, like many others, has its share of problems, the biggest being the farming economy.

In a report published last year by ISU Extension, 64 percent of farmers said they expect the overall economic prospects to decline somewhat or become much worse in the next five years. Forty percent said the quality of life for community farm families has declined in the past five years.

Grain prices are well below average, says Scott Summa, head grain merchandiser

for the Farmers Co-op Elevator in Everly. "Right now, prices are around \$1.75 for corn and \$4.53 for beans," Summa says. "Ideally, we'd like to see them back around \$2.50 and \$6."

And as it becomes more difficult for family farmers to make ends meet, it becomes doubly hard to send those farm-raised children to college.

ISU student Molly Hostetler, a "true farm girl" from Colo, is a junior majoring in agronomy. She transferred to ISU this fall after attending Ellsworth Community College for two years.

All three of the Hostetler children attended community college for two years before enrolling in a university. Molly Hostetler and one of her brothers attended Ellsworth Community College, while

Story by Bridget Bailey



her other brother attended Des Moines Area Community College (DMACC).

Each of the children enrolled in a community college for a different reason, but Hostetler says it helped her farming family's financial situation to go to a community college for two years before transferring to a four-year college.

Her family raises corn and beans, but she says that with the farm economy declining, there's not enough money to support her parents, herself, and her two brothers. Her dad has to work a second job at the Department of Transportation. He's not the only one in Everly who's down on his luck.

"I've seen farms that have been in families for hundreds of years turn over to someone completely different; I've seen a lot of farm auctions," Hostetler says. "It's kind of sad."

The price of higher education accompanied by the financial setbacks of the farm crisis can hit college students like Hostetler hard.

In recent years, the agricultural economy has declined rapidly, and college tuition prices have skyrocketed. Experts agree with small family farmers: Economic hardship hampers the lifestyles that farmers have long planned for their families – especially the idea of attending college.

Earl Dowling, ISU director of financial aid, says he believes there is hope for kids from the "farm crisis" background to finance a college education.

"This year, Senator [Tom] Harkin developed the Disaster Relief Grant," Dowling says. "Ninety students took advantage of the grant this year."

A disaster relief fact sheet provided by Dowling, says recipients of the grant should be "high-need, Iowa resident students attending accredited Iowa colleges and universities whose families have been negatively impacted by the Iowa farm crisis."

Recipients must prove financial hardship relating directly to the Iowa farm crisis, but the grant is not limited to natives of "disaster counties." The fact sheet also states that each institution will match awards dollar for dollar. Dowling says Iowa State received a \$110,000 grant for this purpose.

FAFSA forms are also a good indicator of financial status, Dowling says.

"For the 1999-2000 school year, we had 49 families complete special-condition farm-declining income as a result of the farm crisis," he says. "We don't know they're a farmer unless they write a special letter and explain."

Dowling says the financial aid office tries to do everything it possibly can to accommodate farm students who are having problems paying for their tuition. As a result, all of the farm families who have come to visit with the office about solutions to their financial troubles have ended up enrolling in ISU.

Debra Sanborn, program director of ISU's special recruitment programs, says the Christina Hixson Opportunity Award is offered to Iowa students who have faced financial hardships. Recipients receive \$2,500 each year they attend Iowa State for up to four years.

"We can definitely tell different cycles of farm hardship," Sanborn says. "The year 2000 was one of them."

Iowa State agriculture-sociology professor Paul Lasley says there is much research yet to be done on how farm families react to the combination of the poor markets and higher college tuition costs. But some important details have been discovered.

"We know how people respond when faced with economic uncertainty," Lasley says. He says there is a certain progression of steps that people follow when they are in a money crunch:

- *Reduce expenditures. "Tightening their belts" and getting by with what they have.*
- *Generate more money. Lasley says this usually leads to moms starting to work more and families acquiring more land to farm.*
- *Put off the debt. Farm families tend to use more credit and borrow more during tough times.*
- *Sell possessions. Lasley says this frequently means farmers cashing in life-insurance policies, selling stocks and bonds and/or depleting life savings.*

These steps are not as dire as they may seem, Lasley says. Farmers may very well have expended or depleted funds before their children reach college age and therefore might be eligible for more financial aid if they show no assets or income.

But one of the best ways to pay for school while mired deep in a farm crisis is through



scholarships. This has forced farm children to focus more on winning those awards, Lasley says.

"Kids feel the pressure to earn scholarships if their family is in financial hardship," he says. "They limit their options, maybe live at home and attend community college."

For now, though, Hostetler is getting by. Just barely, but she's making it.

"Community college was a lot cheaper," she says. "Federal aid is the only thing that keeps me going now."

Bridget Bailey is a sophomore in journalism. This is her first article for Ethos. She's also had articles published in the Iowa State Daily.

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